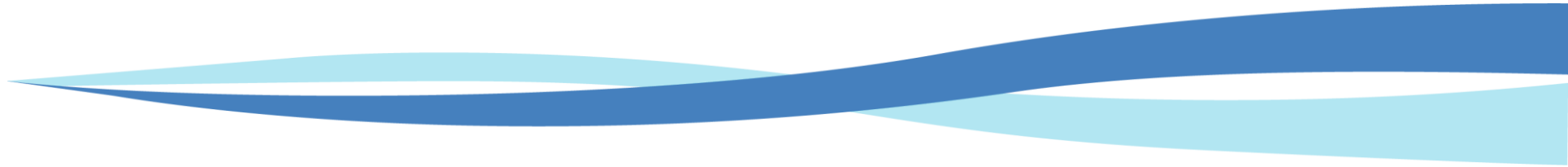


Adapting to Rising Tides Bay Area



Financing the Future
375 Beale St
06/06/2019



Metropolitan
Transportation
Commission



Bay Area
**Regional
Collaborative**

Outline

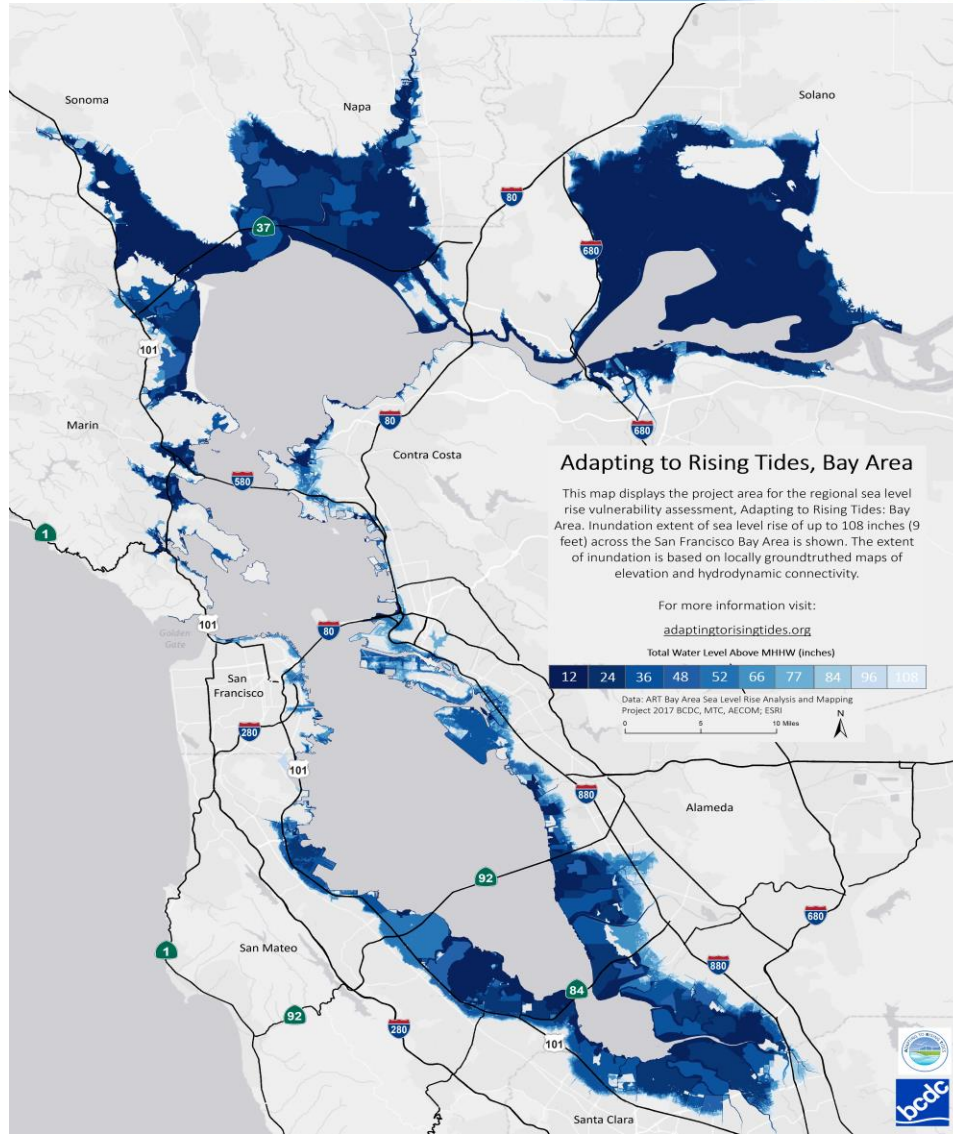


1) What is ART Bay Area?

2) What is the ART Bay Area Financing White Paper?

3) Next Steps

1) What is ART Bay Area?



Conduct regional-scale analysis to understand sea level rise impacts on:

- Regional transportation network linking people, jobs, services
- Our most vulnerable residents
- Future housing and job growth
- Ecological systems

2) What is the ART Bay Area Financing White Paper?



Goal: Match financing tools with adaptation projects to advance implementation

“...find and adapt existing, financial instruments that could fund distinct parts of the multi-benefit projects” – Goldzband, FTF March 21st 2019

Break down the 4 RbD projects into components



Image Source:
Elevate San
Rafael (Bionic)



Climate Change Adaptation Infrastructure Project	Core Beneficial Impacts Potential with Project							Emergency Preparedness	Disaster Response/Shelter	Public Health
	Flood Control (or flood risk management)	Habitat Restoration	Watershed Maintenance	Water Quality Improvement	Transportation	Public Access	Housing			
Horizontal levees										
Sea walls										
New Water Supplies for Loss of Snowpack for Water Storage and/or Bay Delta Flows										
Bay nutrient levels										
Twin Tunnels										
Save the Delta										
WUI fire risk mitigation										
Heat wave refugee centers										

Draft Financing the Future exaction matrix

Identify suitable funding & financing tools for components



Funding Sources	Project Phase Involvement and Nature of Funding									
	Flood Control (or flood risk management)	Habitat Restoration	Watershed Maintenance	Water Quality Improvement	Transportation	Public Access	Housing	Emergency Preparedness	Disaster Response/Shelter	Public Health
Government - Local										
Government - County										
Government - Regional										
Government - State										
Government - Federal										
Philanthropy										
Insurance/Reinsurance										
Private Sector										
Other (specify)										

Draft Financing the Future exaction matrix

Category	Tool	Type	Sub-Type	Lead Institutions to Initiate	Who Pays? Who are Key Issuers/Partners?
Funding	Grants	Federal Grants		Government or philanthropic foundations	Federal, state, local funds/taxpayers
Funding	Grants	State Grants		Government or philanthropic foundations	Federal, state, local funds/taxpayers
Funding	Assessments			Local governments	Property owners
Funding	Special Taxes	Ad Valorem Property Taxes		State or local governments	Property owners
Funding	Special Taxes	Parcel Taxes		State or local governments	Property owners
Funding	Special Taxes	Tax-Increment Financing		Enhanced Infrastructure Finance Districts (EIFDs), Community Facilities Districts	Property owners
Funding	Special Taxes	Mello-Roos Taxes		Local governments under a Community Facilities District	Property owners
Funding	Other Taxes	Sales, Gas, Hotel, Utility User, Business			Residents, Businesses, Visitors
Funding	Fees	Property-Related Fees		Local governments	Users
Funding	Fees	Non-Property-Related Fees		Local governments	Users
Funding	Fees	Development Impact Fees		Local governments	Developers, Property Owner
Funding	Fees	Other User Fees			Users
Funding	Private Involvement	Business Improvement Districts (BIDs)		Municipalities	Businesses, Consumers
Funding	Private Involvement	Enterprise Revenues		State or local government + private sector partner	Businesses
Funding	Private Involvement	Incentives		State or local government	Businesses, Developers, Property Owners
Funding	Private Involvement	Community Benefit Agreements (CBAs)		State or local government + private sector partner	Businesses, Developers, Property Owners
Funding	Private Involvement	Regulations		State or local governments or government agencies	Businesses, Developers, Property Owners
Financing	Bonds	Municipal Bonds	General Obligation Bonds (GO Bonds)	State or local governments or government agencies	Local or state government
Financing	Bonds	Municipal Bonds	Revenue Bonds	State or local governments or government agencies	Local or state government
Financing	Bonds	Private Activity Bonds (PABs)		State or local governments on behalf of private partner	Local or state government on behalf of private partner
Financing	Bonds	Pay for Success Financing	Social Impact Bonds	State or local governments + private sector partner	Partnership between public agency, private sector
Financing	Bonds	Pay for Success Financing	Environmental Impact Bonds (EIBs)	State or local governments + private sector partner	Partnership between public agency, private sector
Financing	Bonds	Green Bonds		State or local governments	Local or state government
Financing	Bonds	Insurance-Linked Securities	Catastrophe Bonds	State or local governments	(Re)Insurance companies, public and private
Financing	Bonds	Insurance-Linked Securities	Resilience Bonds	State or local governments	(Re)Insurance companies, public and private
Financing	Loans	Federal Loans		Federal government	Federal issues; borrower can be private
Financing	Loans	Revolving Loan Funds		State government	State issues; borrower can be non-profit
Financing	Loans	Program Related Investments (PRIs)		Philanthropic Foundations	Philanthropies

Financing & funding tools:

Use existing lists and expert knowledge of financing/funding tools

- Financing the Future
- RbD Financing Guide
- AECOM Financing Guide

Paying for Climate Adaptation in California, AECOM, 2018

Characterize funding sources to match with projects



Potential criteria for the characterization of financing tools:

- \$ amount that can be raised by tool
- Political feasibility of tool
- Time-frame for availability and lifespan of tool
- Reliability of tool (existing or experimental)
- Flexibility of tool in possible uses of funds
- Stability of tool in regard to political change
- Required lead-time of tool
- Project type/phase for which tool is suitable

...Are these the right criteria?

Generalize findings for other adaptation projects in White Paper



Adapting to Rising Tides > 8. Advance Options

Findings



Maps and
Data Products



Projects



How-To



ART Approach



Design Your Project



Getting Started



1. Scope and Organize



2. Choose an Approach



3. Do the Assessment



8. Advance Options



PREVIOUS STEP



NEXT STEP

Identify implementation options and develop recommendations for advancing high priority adaptation responses and further collaborations.

The purpose of this final step is to support working group members in implementing adaptation responses within their individual agencies or organizations, and in supporting coordination on adaptation responses that need to be implemented collaboratively. Together, the project team and working group work together to craft a set of recommendations for advancing actions that are ready for implementation, funding those that are ready but are lacking the resources, and further investigating those that need further collaboration or refinement such as feasibility assessments, changes in governance or regulations, additional data and information or the addition of new partners and participants.



Where does this step fit?



Outcomes of this step

- Recommendations for advancing and funding “ready to go” adaptation responses, and for initiating additional assessments, feasibility studies, new efforts, or further collaborations
- Specific working group members identified to lead next steps, including new efforts and collaborations among stakeholder with or without the support from the project team

Questions for discussion



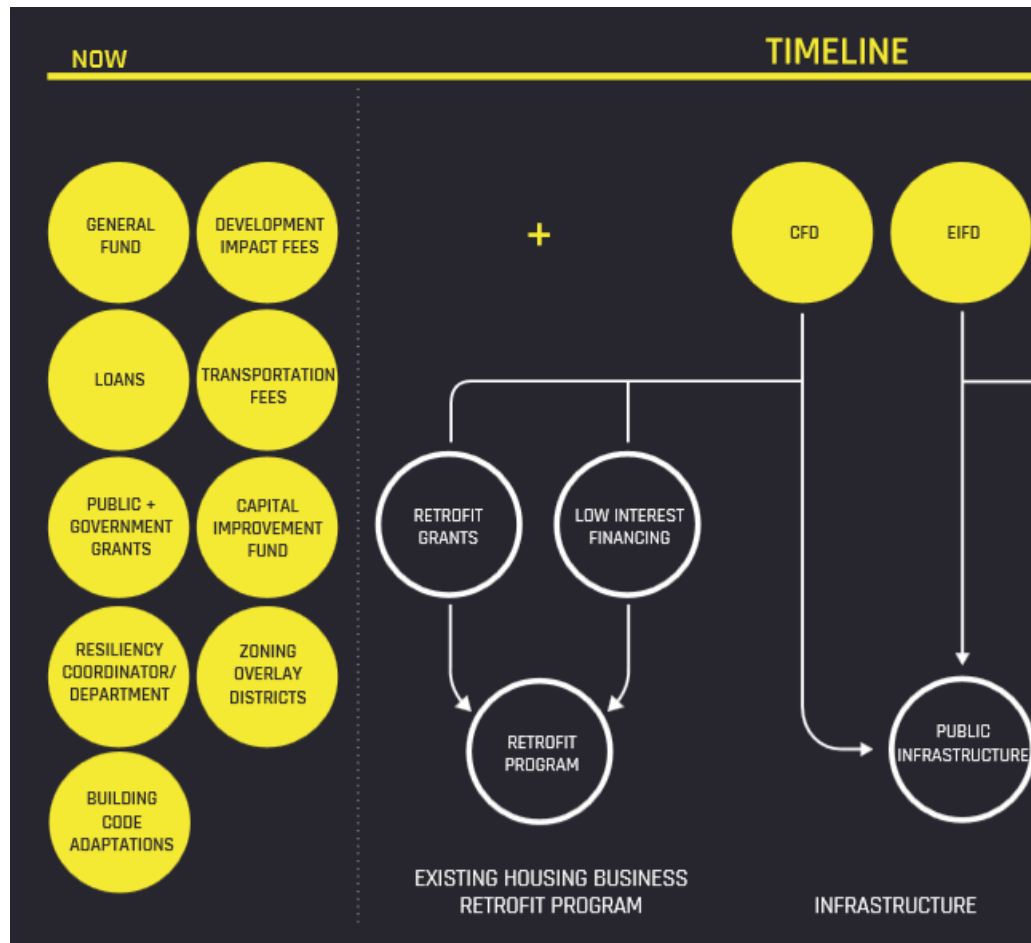
- Are there any concerns with this approach?
- What is the best way to engage with the RbD projects given their different stages?
- How can we collaborate with the San Francisco Bay Regional Water Quality Board?

Next Steps

- Work with Committee of 4 and Project Sponsors to understand project components
- Work Session on Criteria at future FTF meeting
- Complete White Paper by end of September



Financing Guides



Elevate San Rafael (Bionic) 2018

Fees			
Property-Related Fees: Water, stormwater, and wastewater fees	Users	Majority protest threshold for publicly owned utilities is lower than other voter approval thresholds Privately owned water utilities are exempt from Proposition 218 (these deliver water to roughly 20% of the state's residents) Not considered a tax under Prop. 26	Publicly owned utilities subject to Proposition 218; Funds raised must directly support operations and rates cannot be tiered to address affordability issues Private utilities' rate setting is regulated by the California Public Utilities Commission (CPUC)
Non-Property-Related Fees: Gas, electric fees	Users	Not subject to Proposition 218 No voter approval required; not considered a tax under Prop. 26	Funds raised must directly support operations; Rate setting regulated by CPUC for privately owned utilities or by elected boards for publicly owned utilities
Developer impact fees	Developers, Property Owners	Can be used to ensure new development is resilient No voter approval required; not considered a tax under Prop. 26	Tied to market conditions which are often cyclical and difficult to forecast Requires new development / major redevelopment to manifest resilience at a meaningful scale
Other user fees (e.g., Transit fares, tolls)	Users	Fees charged to those who use and benefit from the services	Participation of disadvantaged and vulnerable communities may be limited without subsidies / affordability programs
Private Involvement			
Business Improvement Districts	Businesses, Consumers	Useful for district-wide infrastructure that could benefit from economies of scale (e.g., stormwater infrastructure) Contributes private revenues to public or shared goods	Limited revenue generation Require contiguous boundaries
Enterprise revenues (e.g., naming rights, concessions)	Businesses	Contributes private revenues to public good Effective for funding operations and maintenance expenses	Limited revenue generation Commercialization of and less public control over public space
Incentives (e.g., exemptions, discounts)	Businesses, Developers, Property Owners	Encourages investment that may otherwise not occur	Jurisdictions forfeiting potential revenue sources

AECOM Financing Guide 2018

ART Bay Area Project Partners



- Multi-Agency staff
 - Caltrans (funder, along with BATA)
 - MTC (grant recipient)
 - BARC (project manager)
 - BCDC ART team
- Consultant team
 - AECOM
 - Natural Capital Project (NatCap)
 - BARHII
- Stakeholders
 - Regional Working Group (RWG)
 - Public



Project Goals



- Complete regional-scale vulnerability assessment
- Establish framework for prioritizing regional-scale adaptation planning
- Increase public participation and local capacity to engage in planning and implementation over long term
- Coordinate with partners to apply project results to related efforts, such as MTC's Horizon effort and the 2021 update of Plan Bay Area 2050



ART Timeline

